



**Platinex Inc.**  
**Condensed Interim Consolidated Financial Statements**  
**For the Nine Months Ended September 30, 2014 and 2013**  
**Expressed in Canadian Dollars**

## **NOTICE OF DISCLOSURE OF NON AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee of the Board of Directors.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditors.

November 26, 2014

**Platinex Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**Unaudited - Expressed in Canadian Dollars**

	Note	As at September 30 2014	As at December 31 2013
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 2,683	\$ 10,006
HST receivable		1,825	0
Funds held in trust		6	608
<b>Total current assets</b>		<b>4,514</b>	<b>10,614</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	3	1,723,083	1,723,083
Property and equipment	4	2,302	2,970
<b>Total non-current assets</b>		<b>1,725,385</b>	<b>1,726,053</b>
<b>Total assets</b>		<b>\$ 1,729,899</b>	<b>\$ 1,736,667</b>
<b>Liabilities and Shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	\$ 558,038	\$ 580,534
Provisions	9	633,071	633,071
<b>Total current liabilities</b>		<b>1,191,109</b>	<b>1,213,605</b>
<b>Shareholders' equity</b>			
Share capital	5	6,122,799	6,120,799
Share warrants reserve	6	10,500	10,500
Contributed surplus		707,133	706,133
Accumulated deficit		(6,301,642)	(6,314,370)
<b>Total shareholders' equity</b>		<b>538,790</b>	<b>523,062</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 1,729,899</b>	<b>\$ 1,736,667</b>
Nature of operations and going concern	1		
Signed on behalf of the Board of Directors:			
<i>"James R. Trusler"</i>		<i>"Bruce Reilly"</i>	
_____ Director		_____ Director	

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

**Platinex Inc.**

**Condensed Interim Consolidated Statements of Changes in Equity**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Nine Months Ended September 30, 2014 and 2013**

	Share Capital	Contributed Surplus	Share Warrant Reserve	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
<b>Balance December 31, 2012</b>	\$ 6,111,049	\$ 657,663	\$ 48,470	\$ (7,500)	\$ (3,919,580)	\$ 2,890,102
Loss for the period	0	0	0	0	(381,516)	(381,516)
Available-for-sale investment	0	0	0	7,500	(7,500)	0
Share capital issued	10,500	0	0	0	0	10,500
Stock options granted	0	0	0	0	0	0
Warrants issued	0	0	10,500	0	0	0
Warrants expired	0	48,470	(48,470)	0	0	10,500
Share issue costs	(750)	0	0	0	0	(750)
<b>Balance September 30, 2013</b>	<b>\$ 6,120,799</b>	<b>\$ 706,133</b>	<b>\$ 10,500</b>	<b>\$ 0</b>	<b>\$ (4,308,596)</b>	<b>\$ 2,528,836</b>
<b>Balance December 31, 2013</b>	<b>\$ 6,120,799</b>	<b>\$ 706,133</b>	<b>\$ 10,500</b>	<b>\$ 0</b>	<b>\$ (6,314,370)</b>	<b>\$ 523,062</b>
Income for the period	0	0	0	0	12,728	12,728
Share capital issued	2,000	0	0	0	0	2,000
Stock options granted	0	1,000	0	0	0	1,000
Warrants issued	0	0	0	0	0	0
Warrants expired	0	0	0	0	0	0
Share issue costs	0	0	0	0	0	0
<b>Balance September 30, 2014</b>	<b>\$ 6,122,799</b>	<b>\$ 707,133</b>	<b>\$ 10,500</b>	<b>\$ 0</b>	<b>\$ (6,301,642)</b>	<b>\$ 538,790</b>

Nature of operations and going concern (note 1)

**Platinex Inc.**

**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Nine Months Ended September 30, 2014 and 2013**

	Note	Three Months Ended		Nine Months Ended	
		Sept. 30, 2014	Sept. 30, 2013	Sept. 30, 2014	Sept. 30, 2013
<b>Expenses</b>					
Audit and legal		\$ 712	\$ 18,000	\$ 2,263	\$ 24,350
Consulting fees		425	0	425	20,962
Depreciation	4	222	318	668	3,577
General exploration		0	(14,956)	0	(14,956)
Insurance		0	0	0	1,024
Management salaries and fees	7	0	25,027	7,091	221,568
Office and general		2,440	8,993	6,131	22,412
Option payments	5d,6b	2,000	0	3,000	0
Rent		354	2,884	1,770	47,723
Regulatory and corporate fees		1,052	503	15,924	11,907
<b>Total expenses</b>		<b>7,205</b>	<b>40,769</b>	<b>37,272</b>	<b>338,567</b>
<b>Loss on property, plant and equipment</b>		<b>0</b>	<b>13,919</b>	<b>0</b>	<b>13,919</b>
<b>Gain on sale of NSR Royalty</b>	3c	<b>0</b>	<b>0</b>	<b>(50,000)</b>	<b>0</b>
<b>Loss on available-for-sale investment</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>50,030</b>
<b>Other comprehensive (income) loss</b>		<b>7,205</b>	<b>54,688</b>	<b>(12,728)</b>	<b>402,516</b>
Fair value loss on available-for-sale investment		0	0	0	(13,500)
<b>Net and comprehensive (income) loss for the period</b>		<b>\$ 7,205</b>	<b>\$ 54,688</b>	<b>\$ (12,728)</b>	<b>\$ 389,016</b>
<b>(Income) loss per common share, basic and diluted</b>	8	<b>\$ 0.0001</b>	<b>\$ 0.0011</b>	<b>\$ (0.0002)</b>	<b>\$ 0.0076</b>
Nature of operations and going concern	1				

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

**Platinex Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**Unaudited - Expressed in Canadian Dollars**  
**For the Nine Months Ended September 30, 2014 and 2013**

	Note	Nine months ended September 30, 2014	Nine months ended September 30, 2013
<b>Cash flows from operating activities</b>			
Net and comprehensive loss for the period		\$ 12,728	\$ (389,016)
Adjustments to reconcile net and comprehensive loss to net cash used in operating activities:			
Depreciation		668	3,577
Options payments	5d,6b	3,000	0
Changes in non-cash working capital balances:			
Funds held in trust		602	0
Prepaid expenses		0	14,247
Accounts payable		(22,496)	156,484
HST payable/receivable		(1,825)	(21,375)
<b>Total cash flows from operating activities</b>		<u>(7,323)</u>	<u>(236,083)</u>
<b>Cash flows from investing activities</b>			
Available-for-sale investment		0	95,000
Property and equipment		0	17,860
Exploration and evaluation assets		0	(2,608)
<b>Total cash flows from investing activities</b>		<u>0</u>	<u>110,252</u>
<b>Cash flows from financing activities</b>			
Share capital issued		0	10,500
Share warrants issued		0	10,500
Cost of issue of shares		0	(750)
<b>Total cash from financing activities</b>		<u>0</u>	<u>20,250</u>
<b>Decrease in cash during the period</b>		(7,323)	(105,581)
<b>Cash at beginning of period</b>		<u>10,006</u>	<u>116,648</u>
<b>Cash at end of period</b>		<u>\$ 2,683</u>	<u>\$ 11,067</u>

Nature of operations and going concern

1

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**Platinex Inc.**

**Notes to the Condensed Consolidated Interim Financial Statements  
For the Nine Months Ended September 30, 2014 and 2013  
(Unaudited – Expressed in Canadian Dollars)**

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Platinex Inc., which together with its subsidiary is collectively referred to as the "Company", is a Canadian company whose business activity is the exploration and evaluation of mineral properties in Canada. Platinex Inc. was incorporated under the Ontario Business Corporations Act on August 12, 1998.

The Company is listed on the TSX Venture Exchange as a Tier 2 mining issuer and trades under the symbol PTX-V. The address of the Company's corporate office and principal place of business is 11 Algonquin Cres., Aurora, Ontario, Canada.

These condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2014 and 2013, were approved and authorized for issue by the Board of Directors on November 26, 2014.

The Company has interest in mineral properties located in Canada which are presently at the exploration and evaluation stage. Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets.

For the nine months ended September 30, 2014, the Company generated a net income of \$12,728 (for the nine months ended September 30, 2013 – net loss of \$334,328), the deficit as at September 30, 2014 amounted to \$6,301,642 (\$6,314,370 as at December 31, 2013) and negative cash flow from operations amounted to \$7,323 (negative cash flow from operations of \$236,083 as at September 30, 2013).

Management estimates that the funds available as at September 30, 2014 will not be sufficient to meet the Company's obligations and budgeted expenditures through December 31, 2014. The Company will have to raise additional funds to continue operations. The Company is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. Although there is no assurance that the Company will be successful in these actions, management is confident that it will be able to secure the necessary financing through the issuance of new debt and equity. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although these condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, the above-noted facts and circumstances cast significant doubt on the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported revenues and expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

## **2. BASIS OF PREPARATION**

### **a) Basis of Presentation and Measurement**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting and the Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for available-for-sale financial assets.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2013 and December 31, 2012 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods adopted are consistent with those disclosed in Note 3 to the Company's consolidated financial statements for the years ended December 31, 2013 and December 31, 2012.

### **b) Critical accounting estimates and judgments**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. Areas of critical accounting estimates and judgments that have the most significant effect on the amounts recognized in the unaudited condensed interim consolidated financial statements are disclosed in note 4 of the Company's consolidated financial statements as at and for the years ended December 31, 2013 and December 31, 2012.

**Platinex Inc.**

**Notes to the Condensed Consolidated Interim Financial Statements**  
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**(Unaudited – Expressed in Canadian Dollars)**

**3. EXPLORATION AND EVALUATION ASSETS**

	Shining Tree	South McFaulds Lake	Total
<b>Balance at December 31, 2012</b>	\$ 3,166,602	\$ 553,657	\$ 3,720,259
Exploration costs	2,645	0	2,645
Impairment loss	(1,446,164)	(553,657)	(1,999,821)
<b>Balance at December 31, 2013</b>	\$ 1,723,083	\$ 0	\$ 1,723,083
Exploration costs	0	0	0
Impairment loss	0	0	0
<b>Balance at September 30, 2014</b>	\$ 1,723,083	\$ 0	\$ 1,723,083

a) Shining Tree Property, Ontario

In 2011 the Company vested an option agreement with Skead Holdings Ltd., with respect to 139 claim units (5,680 acres or 2,299 ha), situated in Churchill, MacMurchy and Asquith Townships in Ontario (the "Shining Tree property"). The Company now holds a 100% interest in the claims subject to a 3% NSR and subject to advance royalty payments of \$10,000 per year commencing in April 2013; the agreement has been amended to defer the payment commencement to October 11, 2014. The 3% NSR may be reduced by payment of \$400,000 for each 0.5% NSR purchased to a maximum of 1.5% NSR. If the optionor wishes to sell the royalty interest the Company retains a right of first refusal to purchase the NSR. On May 10, 2012 the Company acquired a lease (40 acres, 16 ha) from Gary John McBride for 200,000 shares of the Company. The lease is central to the Shining Tree property.

The Company SEDAR-filed its NI 43-101 technical report dated October 2, 2008, by J.G. Bryant and D. Jamieson (the "Report") which examines the Herrick gold deposit on Shining Tree property and seven other known gold prospects, some of which have been explored underground. The Report qualifies the sampling and drilling work by Unocal (1989) and Fort Knox (1990) compliant with NI 43-101 standards.

In October 2010, the Company entered into an agreement with Canadian Prospecting Ventures ("CPV") to acquire an option on twelve claim units for 474 acres (192ha) adjoining the Shining Tree claims acquired from Skead Holdings Ltd. The CPV option was allowed to lapse in the second quarter of 2012.

Since commencement of exploration in 2008, an airborne geophysical survey, stripping, trenching, sampling, induced polarization and magnetometer surveys, glacial till sampling and the drilling of 64 holes for a total of 8,393 m have been completed. A provincially significant anomaly comprising high counts of gold grains and nuggets has been defined covering a large portion of the property and the geological interpretation of this feature is that it has been generated by nearby sources, not necessarily but probably, underlying the Shining Tree property. Channel and composite grab sampling of 72 sections covering a length of 361 m of the Herrick deposit averages 6.98 g/t Au / 1.9 m average true width. Fifty nine qualified drill holes along the same length to a depth of 300m returned average grades from the Central Zone of 2.16 g/t Au / 2.9 m true width. One of the deeper holes returned a 46.1 m mineralized section indicating that the zone is thickening with depth.

b) South McFaulds, Ontario

The South McFaulds property is located 25 km southwest of Noront Resources' Eagle One and Double Eagle nickel-copper-PGE and Black Bird chromitite discoveries. This property comprises 135 claim units in three blocks covering 2,160 ha (5,400 acres). The property adjoins a block held by MacDonald Mines on the northeast. James Bay Resources holds blocks of claims within and to the north of the Company holdings. The Company's property was staked to cover a layered intrusion that is correlative with magnetic anomalies and the projected strike extension to the southwest of the host environment for the Noront discoveries in 2011 as evidenced in outcrop on the property; all of which were revealed in survey publications by the Ontario government. The property is also centered on, and in part marginal to, a regional gravity anomaly. A qualifying report was filed on this property in May, 2011 and an airborne geophysical program was carried out in September, 2011. The above claims expire on dates between February 2015 and February 2017.



**Platinex Inc.**

**Notes to the Condensed Consolidated Interim Financial Statements**  
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**3. EXPLORATION AND EVALUATION ASSETS CONT'D**

c) Gain on Sale of NSR Royalty

On December 2012, the Company sold the Ivanhoe property to Probe Mines Ltd. for a \$80,000 cash payment, 50,000 shares of Probe with a retained 1.5% NSR royalty on future production. On March 24, 2014, Platinex sold the retained 1.5% NSR royalty to Probe Mines for \$50,000.

**4. PROPERTY AND EQUIPMENT**

	<b>Computer Equipment</b>	<b>Furniture and Equipment</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<b>Cost</b>				
<b>Balance at December 31, 2012</b>	\$ 31,764	\$ 55,507	\$ 7,782	\$ 95,053
Additions	0	0	0	0
Disposals	0	(55,507)	(7,782)	(63,289)
<b>Balance at December 31, 2013</b>	\$ 31,764	\$ 0	\$ 0	\$ 31,764
Additions	0	0	0	0
Disposals	0	0	0	0
<b>Balance at September 30, 2014</b>	\$ 31,764	\$ 0	\$ 0	\$ 31,764
<b>Depreciation and impairment losses</b>				
<b>Balance at December 31, 2012</b>	\$ 27,521	\$ 35,663	\$ 7,144	\$ 70,328
Depreciation	1,273	1,984	638	3,895
Impairment loss	0	0	0	0
Disposals	0	(37,647)	(7,782)	(45,429)
<b>Balance at December 31, 2013</b>	\$ 28,794	\$ 0	\$ 0	\$ 28,794
Depreciation	668	0	0	668
Impairment loss	0	0	0	0
Disposals	0	0	0	0
<b>Balance at September 30, 2014</b>	\$ 29,462	\$ 0	\$ 0	\$ 29,462
<b>Carrying amounts</b>				
<b>At December 31, 2013</b>	\$ 2,970	\$ 0	\$ 0	\$ 2,970
<b>At September 30, 2014</b>	\$ 2,302	\$ 0	\$ 0	\$ 2,302

**Platinex Inc.**

**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the Nine Months Ended September 30, 2014 and 2013**  
**(Unaudited – Expressed in Canadian Dollars)**

**5. SHARE CAPITAL**

a) Authorized: Unlimited number of common shares

b) Issued:

	<b>Number of Shares</b>	<b>Amount</b>
<b>Balance at December 31, 2012</b>	50,959,326	\$ 6,111,049
Share issue (note 5c)	1,050,000	10,500
Cost of share issue		(750)
<b>Balance at December 31, 2013</b>	52,009,326	6,120,799
Share issue (note 5d)	200,000	2,000
<b>Balance at September 30, 2014</b>	52,209,326	\$ 6,122,799

c) On September 30, 2013 the Company completed a non-brokered private placement of 1,050,000 working capital units at \$0.02 per unit to raise \$21,000. Each unit comprised one common share and one warrant. Each whole warrant is exercisable for a common share of the Company at an exercise price of \$0.05 on or before September 30, 2014 and thereafter at an exercise price of \$0.10. The warrants expire on September 30, 2015 provided that if the average closing price of the Company's common shares is over \$0.15 per share for 20 consecutive trading days ending more than four months after closing of this offering, the Company may give written notice to the holders of the warrants changing the expiry date to a date which is not less than 30 days following that written notice.

d) On August 11, 2014, Rubicon Minerals Corporation agreed to grant the Company a four year option to purchase a one hundred percent (100%) undivided interest in 10 unpatented mining claims, subject to a 1.5% NSR, in exchange for 800,000 common shares of Platinex and \$70,350 cash. An initial issuance of 200,000 common shares recorded at the fair market value of \$0.01 per share was made on August 19, 2014 and payment of \$7,350 will be made on the earlier of four months after signing or receipt of drilling permits and exploration financing. The property comprises 10 claim units covering 1,504 hectares of the Nabish Lake mafic intrusive complex.

**6. SHARE BASED PAYMENTS**

a) Share Purchase Warrants

	<b>Number of warrants</b>	<b>Weighted average Exercise price</b>	<b>Value of warrants</b>
<b>Balance, December 31, 2012</b>	1,615,667	\$ 0.12	\$ 48,470
Granted, private placements	1,050,000	0.08	10,500
Exercised	0	0	0
Expired or cancelled	(1,615,667)	0.12	(48,470)
<b>Balance, December 31, 2013 and Sept. 30, 2014</b>	1,050,000	\$ 0.08	\$ 10,500

	<b>Date of Expiry</b>	<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Grant Date Fair Value of Warrants</b>
	30-Sept 15	1,050,000	\$0.08	\$10,500

The warrants granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.

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**6. SHARE BASED PAYMENTS CONT'D**

a) Share Purchase Warrants cont'd

	<b>2013</b>
Expected dividend yield	0
Expected volatility	152%
Risk free interest rate	1.19%
Expected life	1.5 years

b) Share Purchase Options

In October 2005, the Company's Board of Directors approved a new stock option plan. Under the terms of the Company's new stock option plan, a maximum of 10% of the issued and outstanding common shares have been reserved for issuance to the Company's directors, officers, employees and eligible consultants. The new stock option plan was approved by the Company's non participatory shareholders on May 24, 2006 and each successive year at the Annual General Meeting.

On April 30, 2014, in exchange for extending the time for payment of an advance royalty payment of \$21,500 the Company agreed to grant Skead Holdings Ltd 100,000 options with a five year term and an exercise price of \$0.10 per share. On May 21, 2014, the Company revised this exercise price to \$0.05 per share.

On May 21, 2014, the Company agreed to grant 1,500,000 options with a five year term at an exercise price of \$0.05 to the directors of the Company; the options have not been issued as of November 26, 2014

The following is a summary of changes in options from January 1, 2013 to December 31, 2013

Date	Date	Price	Balance	Granted	Exercised	Cancelled	Balance	Vested and Exercisable	Unvested
03/11/09	03/11/14	\$0.20	220,000	0	0	0	220,000	220,000	0
06/25/10	06/25/15	\$0.20	1,020,000	0	0	0	1,020,000	1,020,000	0
04/01/11	04/01/16	\$0.12	1,560,000	0	0	0	1,560,000	1,560,000	0
			2,800,000	0	0	0	2,800,000	2,800,000	0
Weighted average exercise price			\$0.16	\$0.00	\$0.00	\$0.00	\$0.16	\$0.16	\$0.00

The following is a summary of changes in options from January 1, 2014 to September 30, 2014

Date	Date	Price	Balance	Granted	Exercised	Cancelled	Balance	Vested and Exercisable	Unvested
03/11/09	03/11/14	\$0.20	220,000	0	0	220,000	0	0	0
06/25/10	06/25/15	\$0.20	1,020,000	0	0	0	1,020,000	1,020,000	0
04/01/11	04/01/16	\$0.12	1,560,000	0	0	0	1,560,000	1,560,000	0
05/21/14	05/21/19	\$0.05	0	100,000	0	0	100,000	100,000	0
			2,800,000	100,000	0	222,000	2,680,000	2,680,000	0
Weighted average exercise price			\$0.15	\$0.00	\$0.00	\$0.20	\$0.15	\$0.15	\$0.00

The options granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.

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**6. SHARE BASED PAYMENTS CONT'D**

b) Share Purchase Options cont'd

	<u>2014</u>	<u>2011</u>	<u>2010</u>
Expected dividend yield	0%	0%	0%
Expected volatility	175.73%	96.58%	135.85%
Risk-free interest rate	1.67%	2.56%	2.35%
Expected life	5 years	5 years	5 years

**7. RELATED PARTY TRANSACTIONS**

Remuneration of directors and key management personnel during the nine months ended September 30, 2014 and 2013 was:

	<b>Nine Months Ended</b>	
	<u>September 30, 2014</u>	<u>September 30, 2013</u>
Management salaries and fees	\$ 0	\$ 218,250

At September 30, 2014, accounts payable included \$312,962 (December 31, 2013 - \$308,917) due to related parties; these payments have been deferred until such time as the Company completes a financing in sufficient amount to ensure that the Company has adequate working capital.

**8. BASIC AND FULLY DILUTED EARNINGS PER SHARE**

The following table sets forth the calculation of the basic and diluted earnings per share:

	<b>Nine Months Ended</b>	
	<u>September 30, 2014</u>	<u>September 30, 2013</u>
Basic earnings available to common shareholders	\$ 12,728	\$ (389,016)
Weighted average number of common shares outstanding basic	52,053,770	51,075,993
Basic earnings (loss) per share	<u>\$ 0.0002</u>	<u>\$ (0.0076)</u>
Weighted average number of common shares outstanding	52,053,770	51,075,993
Assumed exercise of outstanding dilutive options and warrants	3,730,000	3,850,000
Shares purchased from proceeds of assumed exercise options and warrants	<u>(32,166,000)</u>	<u>(20,535,000)</u>
Weighted average number of common shares outstanding - diluted	<u>23,617,770</u>	<u>34,390,993</u>
Basic and diluted earnings (loss) per share	<u>\$ 0.0002</u>	<u>\$ (0.0076)</u>

The effects of the stock options for the nine months ended September 30, 2014 and 2013 have been excluded from the calculations of diluted earnings per share as it would be anti-dilutive.

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**Platinex Inc.**

**Notes to the Condensed Consolidated Interim Financial Statements  
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**9. PROVISIONS**

The Company has agreed to indemnify certain subscribers of current and previous flow-through share offerings against any income tax payable by the subscriber in the event the Company does not meet its expenditure commitments.

During the years 2005 to 2008, the Company issued flow-through common shares for gross proceeds of \$1,550,000 from private placement offerings of securities. In accordance with the terms of these flow-through share offerings and pursuant to certain provisions of the Income Tax Act (Canada) (the "Act"), the Company renounced for income tax purposes these exploration expenditures and was obligated to spend these funds on Qualifying Canadian Exploration Expenditures ("CEE").

Following an audit by Canada Revenue Agency ("CRA") of the Company's CEE for 2005 to 2008 which was substantially completed prior to December 31, 2011, the CRA has taken the position that only \$590,801 of flow-through proceeds was spent on CEE. On this basis, the remainder of \$959,199 is potentially subject to tax in accordance with Part XII.6 of the Act and, together with related penalties and interest, \$191,340 has been included in accrued liabilities as at September 30, 2014 and December 31, 2013. On April 4, 2012, CRA issued Notices of Assessment and Reassessment to the Company totaling \$191,340 including penalties and interest which has been included in accrued liabilities. The Company has filed Notices of Objection to dispute CRA's interpretation and the validity of the Notices of Assessment and Reassessment.

In accordance with the terms of subscription agreements with certain purchasers of flow-through shares, the Company has agreed to indemnify such investors for an amount equal to the amount of any income tax payable, or income tax that may become payable, by the purchaser, under the Act, as a result of any reduction of previously renounced CEE. The Company has also estimated the potential liability resulting from any claims which may arise as a result of possible reassessments denying CEE claimed by investors in 2005 to 2008 to be \$633,071 which has been included in accrued liabilities as at September 30, 2014 and December 31, 2013. The actual liability will depend upon a number of factors including the personal tax income tax positions of the investors and the Company's success in its objection proceedings with CRA. The outcome of these matters is uncertain and there can be no assurance that such matters will be resolved in the Company's favour.